

## Message Text

LIMITED OFFICIAL USE

PAGE 01 SAIGON 06459 171406Z

40

ACTION EA-14

INFO OCT-01 ISO-00 EB-11 AGR-20 AID-20 COME-00 TRSE-00

SWF-02 CIAE-00 DODE-00 PM-07 INR-10 L-03 NSAE-00

NSC-07 PA-04 RSC-01 PRS-01 SP-03 SS-20 USIA-15 OMB-01

DRC-01 /141 W

----- 059821

R 170935Z MAY 74

FM AMEMBASSY SAIGON

TO SECSTATE WASHDC 4792

INFO AMEMBASSY PHNOM PENH

AMEMBASSY BANGKOK

AMEMBASSY VIENTIANE

AMEMBASSY SEOUL

AMCONSUL DANANG

AMCONSUL NHA TRANG

AMCONSUL BIEN HOA

AMCONSUL CAN THO

LIMITED OFFICIAL USE SAIGON 6459

E.O. 11652: N/A

TAGS: EAGR, VS

SUBJECT: RICE SITREP FOR APRIL 1974 - CERP 4012

REF: SAIGON 5267

1. SUMMARY. CONTINUED IMPORTS AND THE REGULATION REQUIRING MERCHANTS TO DELIVER EQUAL AMOUNTS TO NFA AND THE PRIVATE MARKET ARE KEEPING NFA STOCKS HIGH. HOWEVER, PRIVATE SECTOR STOCKS HAVE BEEN DRAWN DOWN FROM PREVIOUS HIGH LEVELS AS PRIVATE SECTOR SHIPMENTS TO CENTRAL VIETNAM FROM SAIGON STOCKS REMAINED HIGH IN APRIL. A DECLINING RATE OF DELTA DELIVERIES IS ATTRIBUTED TO THE ONE FOR ONE DELIVERY REGULATION MENTIONED ABOVE AND MERCHANT WHITHOLDING OF STOCKS IN THE DELTA IN ANTICIPATION OF A NEW HIGHER NFA PURCHASE PRICE. MODEST UPWARD PRESSURE

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 SAIGON 06459 171406Z

AGAINST PADDY AND RICE PRICES WAS NOTED IN APRIL. A CONTINUED

SLOW CLIMB IN PRICES IS FORECAST FOR THE NEXT FEW MONTHS.

END OF SUMMARY.

2. END APRIL SAIGON AND CENTRAL VIETNAM STOCKS (1,000 MT)

SAIGON IMPORTED	83.0
SAIGON DOMESTIC	61.5
SAIGON PRIVATE	4.9
DEFICIT PROVINCES	74.3

TOTAL	223.7
-------	-------

3. APPARENT APRIL CONSUMPTION (1,000 MT)

END MARCH STOCKS	221.5
APRIL DELTA DELIVERIES	50.0
APRIL IMPORTS	26.2

TOTAL AVAILABLE	297.7
-----------------	-------

MINUS END APRIL STOCKS	223.7
------------------------	-------

EQUALS APRIL APPARENT CONSUMPTION	74.0
-----------------------------------	------

4. APRIL IMPORTS TOTALLED 26,167 MT, 12,663 MT FROM PA'S 45-753 AND 757 AND 13,504 MT FROM PA 45-761. CUMULATIVE 1974 IMPORTS AS OF APRIL 30 WERE 198,574 MT.

5. DELTA DELIVERIES FOR APRIL WERE 49,956 MT, BRINGING THE TOTAL FOR THE YEAR TO DATE TO 255,284 MT. DELIVERIES BEGAN SLOWING DOWN IN THE LAST WEEK OF APRIL AND FOR MAY ARE RUNNING JUST ABOVE 1000 MT A DAY THROUGH MAY 12.

6. NFA STOCK LEVELS ARE CURRENTLY OVER 230,000 MT WITH MORE IMPORTS ARRIVING ALMOST EVERY DAY. HOWEVER, PRIVATE SECTOR STOCKS IN SAIGON HAVE BEEN DRAWN DOWN TO LESS THAN 5,000 MT. THIS IS A RESULT OF THE CONTINUED STRONG DELIVERIES TO CENTRAL VIETNAM (22,265 MT IN APRIL) AND A SLOWDOWN IN DELTA DELIVERIES. MERCHANTS FROM PLEIKU AND KONTUM PROVINCES IN MR-2 BOUGHT SUBSTANTIAL AMOUNTS OF RICE AS THE TEMPO OF MILITARY ACTIVITY LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 SAIGON 06459 171406Z

QUICKENED IN AND AROUND THOSE PROVINCES. THESE TWO FACTORS PROBABLY ACCOUNT FOR A GOOD PART OF THE HIGH APRIL APPARENT CONSUMPTION FIGURE OF 74,000 MT. ANOTHER FACTOR EXPLAINING THE DRAWDOWN IN PRIVATE SECTOR STOCKS IS THE REGULATION NOW IN EFFECT THAT SAIGON AND DELTA MERCHANTS MUST SELL ONE TON TO NFA FOR EVERY TON DELIVERED TO THE FREE MARKET. STILL ANOTHER REASON IS THAT MERCHANTS ARE ANTICIPATING INCREASES IN NFA CONTRACT PURCHASE PRICES.

7. IT APPEARS THE RAINY SEASON HAS BEGUN A LITTLE EARLY THIS YEAR. AT THIS POINT IT IS DIFFICULT TO TELL ACCURATELY THE EFFECTS OF HIGH FERTILIZER PRICES AND DISTRIBUTION PROBLEMS ON FARMER PLANTING PATTERNS.

8. PRICES

A. DELTA PADDY AT THE MILL (WEIGHTED AVERAGE PER 100 KILOS)

	DEC 1	JAN 1	FEB 1	MAR 8	APR 1	MAY 1
HIGH QUALITY	10,702	10,016	10,325	10,725	10,463	10,819
MEDIUM QUALITY	9,600	9,198	9,236	9,823	9,723	9,982

B. SAIGON WHOLESALE RICE PRICES (100 KILOS)

	MAR 11	APR 1	APR 15	APR 22	MAY 10
NANG HUONG	19,500	18,800	19,200	19,800	19,500
SOC NAU	16,200	16,000	15,900	16,200	16,400
NO.1, 25PERCENT	15,500	15,600	15,500	15,700	15,800
MIRACLE RICE	15,500	15,600	15,600	15,800	16,000

C. SAIGON RETAIL RICE PRICES (100 KILOS)

	JAN 21	MAR 1	APR 15	APR 22	MAHZJ5
NANG HUONG	23,000	21,500	21,200	21,500	21,800
SOC NAU	16,500	17,300	17,200	17,500	18,000
NO.1, 25PERCENT	15,600	16,700	16,700	16,900	17,200
U.S. MEDIUM	15,200	16,500	16,500	16,800	17,000
U.S. LONG	16,500	17,800	17,800	18,000	18,000

9. PADDY AND RICE PRICES MOVED UP DURING APRIL, BUT ONLY MODESTLY. NUA PLANS TO INCREASE CONTRACT PURCHASE PRICES, IN AN EFFORT LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 SAIGON 06459 171406Z

TO FORCE FURTHER PADDY INCREASES, HAVE BEEN DELAYED BECAUSE OF TEMPORARY LIQUIDITY PROBLEM. NFA HAS MORE THAN 50 BILLION PIASTERS TIED UP IN STOCKS, AND IS TEMPORARILY SHORT OF WORKING CAPITAL. WE EXPECTED THE GVN TO RESOLVE THE PROBLEM IN THE NEXT FEW DAYS. DECON AFTER DECEMBER 31, 1975.  
MARTIN

LIMITED OFFICIAL USE

NNN



## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** RICE, IMPORTS, CONSUMPTION, STOCKPILES, PRICES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 17 MAY 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GarlanWA  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974SAIGON06459  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740122-1104  
**From:** SAIGON  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19740538/aaaabhqk.tel  
**Line Count:** 160  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** SAIGON 5267  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GarlanWA  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 29 JUL 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <29 JUL 2002 by cunninfx>; APPROVED <25 FEB 2003 by GarlanWA>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** RICE SITREP FOR APRIL 1974 - CERP 4012  
**TAGS:** EAGR, VS  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005